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Poland

Stone Fruit

Annual

2006

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Report Highlights:

The reduced harvest of stone fruit in 2005, due inclement weather, resulted in a 50 percent reduction in exports of fresh and processed fruit, but an increase in imports. The decrease was mostly in plums and cherries. It is too early to predict the 2006 crop, however, the unusually cold winter of 2005/2006 could result in favorable climatic conditions in spring and summer which could result in a good crop of stone fruit in MY 2006/2007.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
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Executive Summary

Fruit production in Poland in 2005 followed a pattern of low production throughout Europe. The primary reason for low production was harsh winter weather. Fruit production declined by 18 percent to 2.9 million tons compared with 2004. The deepest decline was in cherry (32 percent) and plum (25 percent) production. Reflecting the decline in production, processed fruit production is expected to be lower in MY 2005/2006 as well. The decline in production compounded by a growing demand from local processors will result in lower exports of frozen fruit.

Reduced supply and growing demand for Polish fresh and processed fruit has contributed to higher export prices and influenced local market prices upward. Thus far cherry and plum prices have increased most significantly. Due to the 2005 low crop, exports decreased by about 50 percent, while imports doubled. The fruit processing sector has enjoyed an improved economic situation since 2002 in part due to the growth and strength of the largest companies and the closure of weaker companies.

Poland's EU accession did not have a major impact on its internal horticultural products market. In spite of the elimination of high duties, imports of similar products remained unchanged. As did Polish exports to the EU, since in most cases the duties had been eliminated prior the EU accession. Total support for Poland's fresh and processed horticultural sector from May 1, 2004 – September 30, 2005 amounted to about PLN 30 million (about US\$9 million). The majority of EU support was targeted at production groups and organizations; however, the groups are weak and disorganized. As a result, they have not been able to fully utilize EU support.

Production

According to the Polish Main Statistical Office (MSO), fruit production in Poland reached 2.9 million tons in 2005, a decrease of 18 percent compared to the large crop in 2004. This situation was caused mainly by severe climatic conditions (frost, rain and cold temperatures during the blooming periods, as well as droughts in summer and fall). The biggest decrease was in cherry production – 31.6 percent down (138,000 tons compared with 202,000 tons in 2004). The production of plums was 20 percent lower comparatively.

The purchase prices for sweet and sour cherries and plums were much higher in 2005 than in 2004. Prices for frozen sour cherries were PLN 2.4 (US\$0.75) per kilogram, while for juice – PLN 1.45 (US\$0.45). Compared to very low prices in 2004, the purchase prices for cherries have increased more than 120 percent in MY 2005/2006. Plum purchase prices increased 100 percent, and the purchase prices for sweet cherries increased 10-20 percent, compared with 2004 season prices.

Processing

In MY 2005/2006, total production of processed fruit will be lower than in the previous MY. The biggest decrease will be in frozen sour cherries (from 85,000 to 65-70,000 tons) and plums (from 15,000 to 8-10,000 tons). The percentage of frozen sour cherries in total frozen fruit production will decrease from 25 to 20 percent.

Smaller crops will negatively impact juice production. The biggest decrease will be in concentrated sour cherry juice production – from 10,000 to 2-3,000 tons. Also, the production of jams and compotes from sour cherries will be lower, due to lower fruit production and high prices.

Consumption

According to the MSO, the consumption of fresh and processed fruit increased in 2004 by 0.5 kilogram to 55 kilogram per person. According to the Institute of Rural Economics, the consumption of fruit in 2005 was down by 1.0 kilogram per person compared to 2004. This could be the result of the smaller supply, as well as higher retail prices for local and imported products. Although, the consumption of processed fruit in 2005 is expected to be kept at the 2004 level of 8 kilogram per person, and 16 kilogram per person for fruit and fruit-vegetable juices and drinks.

Trade

Based on 11 months of 2005 of official trade data, the export value in MY 2005/2006 might decrease 2 percent compared with the previous MY. The value of exported processed fruit will increase, while the value of exported fresh fruit will be lower. The prices of frozen fruit will increase however, quantities will be smaller because of the smaller crop (from 292,000 tons in MY 2004/2005 to 240,000 tons in MY 2005/2006).

Prices for frozen sour cherries will be twice as high (from EUR 0.7 per kilogram in the previous season up to EUR 1.3 per kilogram) and about 20-23 percent higher for frozen plums (from EUR 0.65 per kilogram to EUR 0.8 per kilogram). Also, the price for concentrated juice from soft fruit will increase this season; concentrated sour cherry juice will increase the most (from EUR 2 per kilogram up to EUR 4 per kilogram). Poland primarily supplies neighboring countries, such as Russia and Belarus, as well as EU countries.

In CY 2005 imports were higher than usual. Imports of all stone fruit almost doubled: plums from 976 tons in 2004 up to about 2,000 tons in 2005; cherries (tart and sweet) from 560 tons to about 1,000 tons, apricots from 1,699 to 4,400 tons. The main suppliers are southern EU countries, as well as South Africa and Chile.

Quality requirements

Since 2005, Poland's common quality standards for peaches, nectarines, and plums have been harmonized with the EU's (see: <http://www.cpvo.eu.int/others.php?res=1&w=792&h=510&lang=en&page=QT/fruit.htm>).

Financial support for creation and functioning of producer groups and organizations.

Approved producer groups may receive support equal the total value of the paid membership of the organization, but not more than 4.1 percent of their production value (EUR 100,000 in Poland) and 50 percent of the organization's expenses for establishment and administration of the group. The EU financial support for creation of producer groups and their administrative expenses is fixed as a percent of the value of group production (minimum EUR 50,000) as well as coverage of a portion of their investments. The EU portion is 50 percent of qualified investment costs; the Government of Poland will cover 25 percent of these costs. As of November 2005, there were 9 producer organizations and 36 producer groups registered according to the Act on organization of fruit and vegetables, yeast, tobacco and dry feeds markets. Between May 1, 2004 and September 30, 2005, payments to producer organizations amounted to PLN 346,500 (US\$108,280), and PLN 1.1 million (US\$343,750) to producer groups. No producer organizations have claimed support for unsold fresh produce since May 1, 2004.

Export subsidies

In 2005, exports of fresh or processed horticultural products to third countries were subsidized. Exports of peaches and nectarines were subsidized only during the period September 16 - November 15. The subsidies have not been changed considerably for exports of processed sour and sweet cherries. From May 1, 2004 – September 2005, Polish exports of 30.7 million tons of fresh fruit were subsidized in the amount of PLN 4 million (US\$1.25 million) - detailed data about stone fruit is not available.

Export subsidies in EU

Product	Period	EUR/ton	Quantities in tonnes
sour and sweet cherries temporarily preserved	Oct 25, 2005 - Feb 23, 2006	50	2853
sour and sweet cherries candied (crystallized)	Now 16, 2005 - Jan 16, 2007	153	293

Source: EC regulations

TABLES

Plums - PSD

Country	Poland						
Commodity	Fresh Plums & Prunes				(HA)(1000 TREES)(MT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		01/2005		01/2006		01/2007	MM/YYYY
Area Planted	25500	25500	25500	25500	0	25500	(HA)
Area Harvested	0	0	0	0	0	0	(HA)
Bearing Trees	14000	14000	14000	14000	0	14000	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0	(1000 TREES)
Total Trees	14000	14000	14000	14000	0	14000	(1000 TREES)
Commercial Production	125000	133000	125000	100000	0	125000	(MT)
Non-Comm. Production	0	0	0	0	0	0	(MT)
TOTAL Production	125000	133000	125000	100000	0	125000	(MT)
TOTAL Imports	900	976	700	2000	0	1000	(MT)
TOTAL SUPPLY	125900	133976	125700	102000	0	126000	(MT)
Domestic Fresh Consumption	3000	5000	3000	3000	0	4500	(MT)
Exports, Fresh Only	19000	20400	17000	10000	0	18000	(MT)
For Processing	100000	104676	102000	84000	0	100000	(MT)
Withdrawal From Market	3900	3900	3700	5000	0	3500	(MT)
TOTAL UTILIZATION	125900	133976	125700	102000	0	126000	(MT)

Plums – Exports

Country	Poland		
Commodity	Fresh Plums & Prunes		
Time Period	Jan-Dec	Units:	MT
Exports for:	2004		2005
U.S.		U.S.	
Others		Others	
Russia	11442	Russia	3789
Germany	2457	Germany	2480
Czech Rep.	2276	Czech Rep.	1549
Lithuania	1004	Latvia	419
Latvia	997	Lithuania	384
Estonia	670	Hungary	285
Slovakia	645	Slovakia	169
Belarus	253	Estonia	91
Austria	216	Belarus	60
Hungary	200		
Total for Others	20160		9226
Others not Listed	256		106
Grand Total	20416		9332
The 2005 data covers first eleven months.			

Plums – Imports

Import Trade Matrix			
Country	Poland		
Commodity	Fresh Plums & Prunes		
Time Period	Jan-Dec	Units:	MT
Imports for:	2004		2005
U.S.		U.S.	
Others		Others	
Spain	222	Spain	786
Belgium	177	Germany	327
France	112	Netherlands	317
Germany	110	Italy	127
South Africa	105	Portugal	123
Chile	75	Hungary	90
Greece	66	France	87
Total for Others	867		1857
Others not Listed	109		117
Grand Total	976		1974
The 2005 data covers first eleven months.			

Fresh Cherries – PSD

PSD Table

Country

Poland

Commodity

Fresh Cherries,(Sweet& Sour)

(HA)(1000 TREES)(MT)

Market Year Begin	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
		01/2005		01/2006		01/2007	MM/YYYY
Area Planted	49500	49500	50000	50000	0	50000	(HA)
Area Harvested	49500	49500	50000	50000	0	50000	(HA)
Bearing Trees	27400	27400	27400	27400	0	27500	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0	(1000 TREES)
Total Trees	27400	27400	27400	27400	0	27500	(1000 TREES)
Commercial Production	249000	250000	250000	177000	0	250000	(MT)
Non-Comm. Production	0	0	0	0	0	0	(MT)
TOTAL Production	249000	250000	250000	177000	0	250000	(MT)
TOTAL Imports	700	560	500	1000	0	500	(MT)
TOTAL SUPPLY	249700	250560	250500	178000	0	250500	(MT)
Domestic Fresh Consump	9500	9500	9700	5000	0	9000	(MT)
Exports, Fresh Only	17000	19374	17000	10500	0	20000	(MT)
For Processing	172000	173686	175000	132500	0	176500	(MT)
Withdrawal From Market	51200	48000	48800	30000	0	45000	(MT)
TOTAL UTILIZATION	249700	250560	250500	178000	0	250500	(MT)

Fresh Cherries – Exports

Export Trade Matrix			
Country	Poland		
Commodity	Fresh Cherries,(Sweet&Sour)		
Time Period	Jan-Dec	Units:	MT
Exports for:	2004		2005
U.S.		U.S.	
Others		Others	
Russia	9830	Russia	7509
Germany	3224	Germany	982
Netherlands	2087	Latvia	595
Latvia	1007	Belgium	379
Belgium	816	Belarus	350
Belarus	602	Lithuania	246
Estonia	394	Estonia	121
Czech Rep.	359	Netherlands	97
Total for Others	18319		10279
Others not Listed	1055		97
Grand Total	19374		10376
The 2005 data covers first eleven months.			

Fresh Cherries – Imports

Import Trade Matrix			
Country	Poland		
Commodity	Fresh Cherries,(Sweet&Sour)		
Time Period	Jan-Dec	Units:	MT
Imports for:	2004		2005
U.S.		U.S.	
Others		Others	
Denmark	328	Hungary	411
Greece	196	Czech Rep.	182
Hungary	31	Greece	152
		Ukraine	68
		Serbia	55
Total for Others	555		868
Others not Listed	5		88
Grand Total	560		956
The 2005 data covers first eleven months.			

Apricots – PSD

PSD Table							
Country	Poland						
Commodity	Fresh Apricots						
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		01/2005		01/2006		01/2007	MM/YYYY
Area Planted	1800	1700	1900	1700	0	1700	(HA)
Area Harvested	0	0	0	0	0	0	(HA)
Bearing Trees	700	700	700	700	0	700	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0	(1000 TREES)
Total Trees	700	700	700	700	0	700	(1000 TREES)
Commercial Production	5000	4900	5000	3500	0	4500	(MT)
Non-Comm. Production	0	0	0	0	0	0	(MT)
TOTAL Production	5000	4900	5000	3500	0	4500	(MT)
TOTAL Imports	1556	1699	1500	4400	0	1700	(MT)
TOTAL SUPPLY	6556	6599	6500	7900	0	6200	(MT)
Domestic Fresh Consump	1000	1000	1000	900	0	1000	(MT)
Exports, Fresh Only	1114	1136	1000	700	0	1100	(MT)
For Processing	3000	3021	3000	3800	0	3000	(MT)
Withdrawal From Market	1442	1442	1500	2500	0	1100	(MT)
TOTAL UTILIZATION	6556	6599	6500	7900	0	6200	(MT)

Apricots – Exports

Export Trade Matrix			
Country	Poland		
Commodity	Fresh Apricots		
Time Period	Jan-Dec	Units:	MT
Exports for:	2004		2005
U.S.		U.S.	
Others		Others	
Russia	880	Russia	400
Czech Rep.	166	Czech Rep.	45
Belarus	55	Latvia	16
Slovakia	33	Belarus	14
Estonia	2	Lithuania	4
		Germany	4
		Slovakia	2
		Sweden	1
Total for Others	1136		486
Others not Listed			
Grand Total	1136		486
The 2005 data covers first eleven months.			

Apricots – Imports

Import Trade Matrix			
Country	Poland		
Commodity	Fresh Apricots		
Time Period	Jan-Dec	Units:	MT
Imports for:	2004		2005
U.S.		U.S.	
Others		Others	
Italy	430	Greece	1412
France	358	France	821
Greece	356	Netherlands	759
Spain	214	Spain	737
Netherlands	179	Italy	294
Germany	97	Germany	197
Hungary	50	Belgium	77
Austria	13	Austria	33
South Africa	1		
Total for Others	1698		4330
Others not Listed	1		53
Grand Total	1699		4383
The 2005 data covers first eleven months.			